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S E C R E T SECTION 01 OF 02 KUALA LUMPUR 000447

SIPDIS

FOR EAP AND INR

E.O. 12958: DECL: 05/30/2028

TAGS: PGOV PREL PINR MARR KDEM MY

SUBJECT: NAJIB AIDE: ABDULLAH SHOULD MAKE WAY SOON FOR

NAJIB AND MUHYIDDIN

Classified By: Political Section Chief Mark D. Clark, reason 1.4 (b and d).

- ¶1. (S) Summary: Deputy Prime Minister Najib's political secretary, Fatmi Che Salleh (protect throughout), suggested in a May 29 meeting with us that Prime Minister Abdullah should make way for a Najib ticket with UMNO Vice President Muhyiddin by announcing as soon as possible that he (Abdullah) will not run for reelection in the December UMNO polls. Regardless, grassroots UMNO members wanted Abdullah removed and this would be manifested in the October/November UMNO division elections. Najib would remain the loyal "crown but Muhyiddin was less constrained to push for Abdullah's departure. De facto minister Zaid Ibrahim's approach to judicial reforms had angered many UMNO leaders, said Fatmi who is a political rival to Zaid. Claims by opposition leader Anwar Ibrahim that he could bring down the government were only a bluff and represented psychological warfare. End Summary.
- 12. (S) Fatmi told polchief during a May 29 meeting that in order to end the leadership crisis in the ruling UMNO party, PM Abdullah needed to clarify the succession plan that would transfer power to DPM Najib. PM Abdullah's pronouncements in April had confirmed that Najib is the successor, but Abdullah had yet to specify a clear timeframe. UMNO leaders and members were impatient for the transfer to happen sooner rather than later, and "the question of 'when' is vital."
- 13. (S) Ideally, Fatmi said, Abdullah should announce now that he will not run for reelection as UMNO president in the December party polls. This would clear the way for a Najib/Muhyiddin ticket that UMNO divisions would endorse during their October/November elections, following political spade work in UMNO branch elections in July/August. If left to the last moment, Abdullah's announcement could lead to contentious division meetings and harm UMNO. If Abdullah insists on running for reelection, many divisions would still attempt to nominate Najib/Muhyiddin and the situation would be worse. "You can't stop the UMNO grassroots," Fatmi contended.
- 14. (S) As the "crown prince," Najib could not push for Abdullah to set a departure date without appearing unseemly. Muhyiddin, however, did not face the same constraints. It was in Muhyiddin's interest, Fatmi argued, to pressure Abdullah to step down soon, so that Muhyiddin could take advantage of a window of opportunity to become Deputy Prime Minister. Muhyiddin may not be able to remain in place as an UMNO Vice President (one of five) come December, and may need to move up to UMNO Deputy President or face the end of his political career.
- ¶5. (C) Fatmi stated that the UMNO VP slots would be hotly

contested, and that there were 40 candidates being talked about for five positions. One of them, Syed Hamid Albar, faced difficulties holding on to his own party division in Johor, despite his powerful cabinet position as Home Minister. Intensive lobbying within UMNO would likely take place in September during the Muslim fasting month.

- 16. (C) Fatmi predicted that Mukhriz Mahathir, son of the former Prime Minister and a prominent voice calling for Abdullah's resignation, would be elected UMNO Youth chief in December. UMNO sentiment remained set against Khairy Jamaluddin, Abdullah's son-in-law, and would prevent Khairy from winning the Youth contest.
- 17. (S) Zaid Ibrahim's inclusion in Abdullah's cabinet as de facto minister in charge of judicial reform came as a surprise, Fatmi noted. Zaid's concept of a judicial appointments commission was not popular in UMNO, and UMNO leaders were angered by PM Abdullah's decision to announce this reform at a Bar Council event attended by opposition leaders. Fatmi argued that "Zaid is one reason UMNO is against Abdullah." Fatmi also explained that Zaid is attempting to regain the leadership of the Kota Bharu UMNO division which Fatmi currently heads. (Comment: Fatmi and Zaid are political rivals within UMNO. End Comment.)
- 18. (C) Opposition leader Anwar Ibrahim's threats to bring down the National Front (BN) government, which UMNO leads, through the defection of 30 BN MPs is a "bluff," Fatmi said. Negotiations for such defections must be carried out individually, and it would be exceedingly difficult to convince one individual that 29 other MPs were prepared to jump at the same time. "If Anwar can pull off such a move,

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he deserves to be Prime Minister." Fatmi interpreted Anwar's statements as psychological warfare against UMNO.

19. (S) Comment: It is significant that Najib's political secretary was willing in our meeting to clearly endorse the necessity of pushing aside Abdullah as soon as possible; in previous encounters Fatmi stuck close to the public line and did not reveal much daylight between Najib and Abdullah. To the extent that Fatmi's views reflect Najib's political strategy, we could expect pro-Najib forces to use UMNO branch and division voices to discourage Abdullah from pursuing reelection as UMNO President. Pushing Muhyiddin out in front also serves Najib's purpose in this scenario.

KEITH